

RISK-BASED MANAGEMENT VERIFICATION METHODOLOGY

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REPUBLIC OF SLOVENIA
**MINISTRY OF COHESION
AND REGIONAL DEVELOPMENT**

LEGAL BASIS and SUPPORTING DOCUMENTS

- ✓ Article 74(1)(a) and 74(2) of the CPR
- ✓ Reflection Paper of the EC: RBMV 2021-2027
- ✓ Guidance on the RBMV for 2021-2027 and HIT methodology



PREPARATION of RBMV methodology

WHO? Managing Authority

FOR WHO? For the whole programme

- ✓ Start: end of 2023
- ✓ Workshop in Bohinj: January 2024
- ✓ Representatives from three CBC programmes
- ✓ External expert
- ✓ Brainstorming
- ✓ Professional judgement/experiences
- ✓ Auditors not involved
- ✓ RBMV Methodology: summer 2024
- ✓ RBMV Manual finalised: December 2024



COLLECTING THE DATA for RBMV „exercise“

- ✓ **HOW?**: Excel sheet
- ✓ **WHO?**: Joint Secretariat (NC for one risk criteria)
- ✓ **WHEN?**: After the approval of the projects (for each deadline) & after the approval of the Annual Accounts
- ✓ **WHERE?**: Jems (eMS), Historical data, Self-declaration by PPs ...



RBMV – WHO/WHICH LEVEL?

Standard projects: - Risk-based

- ✓ - partner level: National Controllers
- ✓ - project level: Joint Secretariat

Small-scale projects: 100% check

- ✓ - partner level: Joint Secretariat
- ✓ - project level: Joint Secretariat



FINAL check of the performed MANAGEMENT VERIFICATION is done by the MA

RMBV – National controllers verification

✓ WHAT? Partner reports + OTS



✓ HOW?: Automatised in Jems

List of PP to be checked

+ Profesional judgement possible – extended check!



✓ **RISK-BASED MANAGEMENT VERIFICATION AND CONTROL MANUAL**

RBMV Methodology

STANDARD
PROJECT
-RBMV -
based on Risk
factors

SMALL-SCALE
PROJECT
- RBMV -
100% check

RBMV Methodology will be adapted, if needed.

RBMV Methodology

for STANDARD PROJECTS

RISK IDENTIFICATION

Risks	Risks description
1. Products and services not delivered – ineligible project	Operation not completed and/or not functional
	Operation not compliant with initial plan (time, quantity, quality)
	Missing evidence for indicators
2. Laws and conditions of support not respected	Wrong application of PP procedures (artificial splitting and/or non-sufficient publicity)
	Not correctly recognised state aid
	Unlawful changes
	Missing documents (permits)
3. Ineligible expenditures and non-sufficient audit trail and accounting	Indirect costs declared as direct cost
	Wrong declaration % of staff costs
	Double-funding, missing documents
4. Simplified cost options conditions for payment not respected	Inflated staff costs
	Condition for support not respected: Activities, deliverables, outputs, results

**SCORING
OF THE
RISKS
AT
PARTNER
LEVEL**

No.	Risk criteria (RC)	Source of data
1	Staff with working time on the project (per person) $\leq 15\%$	JS: JEMS - manually
2	Number of operations run in parallel by partners (per ID/TAX number)	JS: self-declaration filled in by all PPs - manually
3	Change of contractor / sub-contractor(s)	NC: JEMS - manually
4	Are PP activities State aid/de-minimis relevant	JS: JEMS (check list for State aid/de-minimis) – manually
5	Did the PP activities become State aid/de-minimis relevant during past year	JS: JEMS (check list for State aid/de-minimis) - manually
6	Amount of financial errors detected by FLC on PP level in financial period 2014-2020 within the relevant programme	JS manually – Annual summary of controls background tables from eMS (history)
7	Amount of financial errors detected by NC on PP level in sampled expenditures in 2021-2027 within the relevant programme	JS manually – based on previous confirmed PP reports and errors detected - background tables from JEMS

**SCORING
OF THE
RISKS
AT
PARTNER
LEVEL**

No.	Risk criteria (RC)	Source of data
8	Number of staff per PP	JEMS - automatically – count staff rows
9	Use of the 40% staff cost flat rate	JEMS - automatically – flat rate 40% selected
10	Planned External services related to contract > 10.000 EUR	JEMS - automatically – any expenditure in total price per row exceeds 10.000 EUR
11	Planned Amount of external expenditures of smaller value (<10.000 EUR) exceeds 70% of total external expenditures	JEMS - automatically – sum of total cost in rows below 10.000 exceeds 70% of total external expenditures in category
12	Planned Equipment related to contract > 10.000 EUR	JEMS - automatically – any expenditure in total price per row exceeds 10.000 EUR

**SCORING
OF THE
RISKS
AT
PARTNER
LEVEL**

No.	Risk criteria (RC)	Source of data
13	Planned amount of equipment expenditures of smaller value (<10.000 EUR) exceeds 70% of total equipment expenditures	JEMS - automatically – sum of total cost in rows below 10.000 exceeds 70% of total equipment expenditures in category
14	Existence of investments in infrastructure	JEMS - automatically – row infrastructure and works exists
15	Duration of the activities (in reporting periods)	JEMS - automatically – end period minus start period
16	Underspending	JEMS - automatically – realization per partner budget till reporting minus planned partner budget till planned reporting > 0
17	% of underspending	JEMS - automatically – realization per partner budget till reporting minus planned partner budget till planned reporting > 0
18	Professional judgement	JS: manually

LEVEL OF
RISK

PARTNER
LEVEL

Score	0-7	8-20	21 or more
Risk	low	medium	high

FREQUENCY AND COVERAGE

PARTNER LEVEL

Frequency and Coverage – partner level			
Level of risks on partner level/ checks	low	medium	high
Desk based: Frequency	At each report		
Desk based: Coverage/Expenditures including those checked 100% (Costs) up to the L/M/H risk	min 35% of total costs declared in PP report	min 50% of total costs declared in PP report	min 75% of total costs declared in PP report
OTS: Frequency/ Number of project partners to be checked according to the level of risk	5%	15%	30%
OTS: Coverage (What to check?)	In line with the OTS checklist		

WHAT TO CHECK at PARTNER LEVEL?

100% mandatory checks are obligatory in the cost categories:

- External services (related to planned contract value above 40.000 EUR)
- Equipment (related to planned contract value above 40.000 EUR)
- Infrastructure and works

No checks are foreseen for the indirect costs in the cost categories:

- Office and administrative costs
- Preparatory costs
- Travel and accommodation
- Other costs

**SCORING
OF THE
RISKS
AT
PROJECT
LEVEL**

No.	Risk criteria (RC)	Source of data
1	Number of operations run in parallel by partners (per ID/TAX number)	JS: self-declaration filled in by all PPs - manually
2	Change of contractor / sub-contractor(s)	JS: JEMS - manually
3	Are PP activities State aid/de-minimis relevant	JS: JEMS (check list for State aid/de-minimis) - manually
4	Did the PP activities become State aid/de-minimis relevant during past year	JS: JEMS (check list for State aid/de-minimis) - manually
5	Quality of partnership	JS: JEMS (SAG) - manually – score of assessment
6	Quality of budget	JS: JEMS (SAG) - manually – score of assessment

**SCORING
OF THE
RISKS
AT
PROJECT
LEVEL**

No.	Risk criteria (RC)	Source of data
7	Amount of financial errors detected by JS on Project level in previous financial period 2014-2020 within the relevant programme	JS manually – Annual summary of controls background tables from eMS (history)
8	Number of deliverables	JEMS - automatically – number of deliverable rows in project
9	Number of staff working per project	JEMS - automatically – count staff rows per project (sum PP staff rows)
10	Number of accepted changes (no. of application versions)	JEMS - automatically – version of application
11	Existence of investments in infrastructure	JEMS - automatically – row infrastructure and works exists in any project partner`s budget
12	Size of the project	JEMS - automatically – total project budget

**SCORING
OF THE
RISKS
AT
PROJECT
LEVEL**

No.	Risk criteria (RC)	Source of data
13	Number of PPs	JEMS - automatically – number of PPs
14	Duration of the project in periods - up to the programme	JEMS – automatically – number of periods
15	Underspending	JEMS - automatically – realization per project budget till reporting minus planned project budget till planned reporting > 0
16	% of underspending	JEMS - automatically – realization per project budget till reporting minus planned project budget till planned reporting > 0
17	Professional judgement	JS: manually

LEVEL OF
RISK

PROJECT
LEVEL

Score	0-10	11-28	29 or more
Risk	low	medium	high

Slovenia – Croatia

Slovenia – Austria

Slovenia – Hungary

FREQUENCY AND COVERAGE

PROJECT LEVEL

Frequency and Coverage – project level			
Level of risks on project level/ checks	low	medium	high
Desk based: Frequency / Project reports to be checked according to the L/M/H risk (risks shall be defined for all projects consisting of a pool of projects in risk group)	Based on submission: Every 5 th project report submitted from the pool of low-risk projects	Based on submission: Every 3 rd project report submitted from the pool of medium-risk projects	Based on submission: Every 2 nd project report submitted from the pool of high-risk projects
Desk based: Coverage (What to check?)	In line with the JS checklist		
SSV: Frequency/ Percentage of projects to be checked according to the level of risk from the pool of projects in risk group	Defined once a year after RBMV exercise 10%	Defined once a year after RBMV exercise 25%	Defined once a year after RBMV exercise 50%
SSV: Coverage (What to check?)	In line with the SSV checklist		

WHAT TO CHECK at **PROJECT LEVEL**?

100% mandatory checks are obligatory in the project reports:

- Project outputs/results in connection to the programme indicators in each project report
- Each final reporting period report

RBMV Methodology

for SMALL - SCALE PROJECTS

FREQUENCY AND COVERAGE

PROJECT LEVEL

Frequency and Coverage – project level	
Desk based: Frequency / Project reports to be checked: <ul style="list-style-type: none"> - all projects from a pool of projects have the same risk factor - the pool of projects is consisting of all contracted projects from each SSP submission deadline 	Automatically - randomly chosen 80 % of all projects.
Desk based: Coverage (What to check?)	In line with the JS checklist for SSP
SSV*: Frequency/ Projects to be checked: <ul style="list-style-type: none"> - all projects from a pool of projects have the same risk factor - the pool of projects is consisting of all contracted projects from each SSP submission deadline 	Automatically - all projects that were not desk-based checked (20%).
SSV: Coverage (What to check?)	In line with the SSV checklist for SPP

FIRST EXPERIENCES with the RBMV Methodology

- ✓ almost one year in place
- ✓ RBMV process/methodology was sent and presented to the auditors
- ✓ exchanging of experiences with the Controllers and JS
- ✓ data for first common sample for audits sent to EC end of April 2025
- ✓ review of the RBMV methodology will be done during the summer/autumn 2025

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FOR YOUR
ATTENTION**



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